

Message Text

LIMITED OFFICIAL USE

PAGE 01 NAIROB 11435 060644Z

ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 IO-13 ISO-00
NEA-10 AGRE-00 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 SP-02 STR-04 TRSE-00 FRB-03 OMB-01 CEA-01
ITC-01 L-03 OIC-02 USIA-06 NSCE-00 INRE-00 SSO-00
/108 W

-----109896 060654Z /14

O R 060446Z SEP 77

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC IMMEDIATE 1098

INFO AMEMBASSY ABIDJAN

AMEMBASSY BERN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY GUATEMALA CITY

AMEMBASSY LONDON

AMEMBASSY MEXICO CITY

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PORT MORESBY

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

USEEC BRUSSELS

USOECN BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE NAIROBI 11435

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NAIROB 11435 060644Z

E. O. 11652: N/A

TAGS: EPAP, ETRD, ICO

SUBJECT: COFFEE-MEETING OF THE ICO EXECUTIVE BOARD IN NAIROBI

REF: NAIROBI 11407

1. SUMMARY. THE EXECUTIVE BOARD OF THE INTERNATIONAL COFFEE

ORGANIZATION(ICO) MET IN NAIROBI, KENYA, AUGUST 29-SEPTEMBER
3. THE BOARD'S PROGRAM CONSISTED OF A PACKED SCHEDULE OF FIELD
TRIPS AND LARGELY ROUTINE AGENDA, EXCEPT FOR CONSIDERATION OF
A MEXICAN PROPOSAL FOR INITIATING A STUDY OF AN INTERNATIONAL STOCK
ARRANGEMENT FOR STABILIZING THE COFFEE MARKET. THE BOARD'S
DECISION ON THIS MATTER INSTRUCTS THE EXECUTIVE DIRECTOR
TO DRAW UP THE TERMS OF REFERENCE FOR THE STUDY(WHICH WILL NOT
NECESSARILY BE LIMITED TO LOOKING AT STOCKS) WITH APPROVAL LEFT
TO THE COUNCIL WHICH MEETS IN LONDON IN SEPTEMBER. IMPORTANT
POINT FROM US VIEW IS THAT GO AHEAD ON PROJECT WOULD NOT IN ANY
WAY COMMIT US--OR ANYONE--TO THE BUFFER STOCK CONCEPT,
BUT ONLY START THE STUDY, AS PROVIDED FOR IN ARTICLE 51 (4) OF THE
AGREEMENT. FOR MANY OTHER AGENDA ITEMS, MEETING PRIMARILY
SHARPENED ISSUES FOR FUTURE CONSIDERATION RATHER THAN RESOLVED
THEM. END SUMMARY.

2. HIGHLIGHTS OF MEETING FOLLOW:

(A). OPENING SESSION. MEETING WAS OPENED BY KENYAN
MINISTER OF AGRICULTURE J.J. NYAGAH. AS A CONSUMER DELEGATION
CHOSEN TO RESPOND, USDEL PICKED UP AND EXPANDED ON ONE OF NYAGAH'S
THEMES, UNDERLINING THAT "COOPERATION AND DIALOGUE" WAS THE VERY
SOUL OF THE INTERNATIONAL COFFEE AGREEMENT 1976 (ICA).
(B). STATISTICS. FRANCE(GALLOT) USED OCCASION OF INTRO-
DUCTION OF THE FIRST THREE ISSUES OF A NEW STATISTICAL BULLETIN
SERIES(SB/2-IMPORTS) TO DEFEND ITS RECENT BAN ON COFFEE
ADVERTISING. GALLOT SAID FRANCE WAS MERELY ATTEMPTING TO PREVENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NAIROB 11435 060644Z

USELESS WASTAGE OF PROMOTION FUND MONEY IN A HIGH PRICE SITUATION
WHERE CONSUMPTION MUST FALL OFF. THE HUMOR WAS NOT APPRECIATED.
BRAZIL AND COLOMBIA NOTED THAT THE FRENCH ACTION SHOULD NOT BE
TAKEN UP BY THIS BOARD BUT WOULD BE "DEALT WITH IN DUE COURSE
ELSEWHERE."

(C). INDICATOR PRICES. COLOMBIA ASKED THAT THE PROGRAM FOR
COLLECTING PRICE QUOTATIONS FOR OTHER MILD
ARABICAS ON THE BREMAN AND HAMBURG MARKETS BE CARRIED ONE STEP
FARTHER AS A "STATISTICAL EXERCISE", WITH THOSE QUOTATIONS COM-
BINED IN AN AVERAGING WITH THE ICO INDICATOR PRICES FOR OTHER
MILDS. USDEL WAS WILLING TO APPROVE CONTINUATION OF
PRESENT PROGRAM BUT UNWILLING TO LEND SUPPORT TO COLOMBIAN
PROPOSAL. RESULT OF DISCUSSION ON THIS AND ANGOLAN PROPOSAL FOR
RESUMING INCLUSION OF ANGOLA ROBUSTA QUOTATIONS IN THE INDICATOR
PRICE WERE:

(I). THE BOARD AUTHORIZED CONTINUED COLLECTION, WITH-
OUT CHANGE IN THE SYSTEM, OF QUOTATIONS FROM THE GERMAN MARKET.
(II). THE WORKING GROUP ON INDICATOR PRICES WAS
RECONSTITUTED WITH ITS FORMER MEMBERSHIP AND A
MEETING WAS SET FOR FRIDAY, SEPTEMBER 23(THIS TECHNICAL WORKING
GROUP WILL PROBABLY EXAMINE THE ANGOLAN PROPOSAL AND ANY OTHER FOR
MODIFYING THE INDICATOR PRICE SYSTEM. NOTE: IN CAUCUS, CONSUMERS

WERE UNANIMOUSLY OPPOSED TO
RE-INTRODUCTION OF ANGOLAN QUOTATIONS AT THIS TIME).
(D). VERIFICATION OF STOCKS. DOCUMENTS SUBMITTED WERE NOTED
WITHOUT SUBSTANTIVE DEBATE. BRAZIL'S FIGURE WAS 11.4 MILLION BAGS.
BRAZIL PROMISED TO ATTEMPT TO WORK OUT AN UNEXPLAINED 2.6
MILLION BAG DISCREPANCY BETWEEN PRIVATE STOCKS IDENTIFIED DURING THE
VERIFICATION (6.5MILLIONS) AND A HIGHER FIGURE VERIFIED THROUGH
FINANCING DOCUMENTATION.
(E). SUPPLY AND DEMAND STUDY. IN HIS REPORT THE EXECUTIVE
DIRECTOR ALLUDED TO DIFFICULTY IN MAKING DEMAND PROJECTIONS AT THIS
TIME, SUGGESTING THE FINAL REPORT WOULD NOT LIKELY BE READY BEFORE
DECEMBER. USDEL EXPRESSED HIS INTEREST IN SEEING REPORT AS SOON
AS POSSIBLE. FRANCE IN PARTICULAR AND OTHER CONSUMERS GENERALLY
SHARED THIS VIEW.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 NAIROB 11435 060644Z

(F). CERTIFICATES OF ORIGIN. DISCUSSION ON THIS WAS CONFUSED
BY A POOR PRESENTATION OF THE ISSUE AND POSSIBLY DELEGATE FATIGUE.
THE UK AND COLOMBIA STRONGLY OPPOSED ANY CHANGE IN THE RULES AT
THIS TIME(WHICH WAS NOT WHAT THE EXECUTIVE DIRECTOR HAD PRO-
POSED). EXPLANATION OF EFFORTS BY THE EXECUTIVE DIRECTOR TO FIND
OTHER DOCUMENTATION IN COLLABORATION WITH THE US TRADE TO MATCH
UNMATCHED CERTICIATES WERE MISUNDERSTOOD. MATTER WAS LEFT TO THE
NEXT BOARD MEETING, WITH THE EXECUTIVE DIRECTOR INSTRUCTED TO PUT
SOMETHING IN WRITING.
(G). MEXICAN PROPOSAL. DECISION REPORTED REFTTEL WAS A
COMPROMISE WORKED OUT, AFTER DISSATISFACTION EXPRESSED BY THE
US AND OTHERS WITH THE DRAFT RESOLUTION PROPOSED BY MEXICO. THE
LAST LINE OF THE DECISION, A CONCEPT INSISTED UPON BY THE FRG
AND US DELEGATIONS, WAS DESIGNED TO ASSURE THAT DISCUSSIONS IN THE
STUDY GROUP WOULD NOT BE LIMITED ONLY TO STOCK CONCEPTS.
WHILE PRODUCERS GAVE STRONG SUPPORT TO MEXICO, IN PRIVATE CONVER-
SATION
THE BRAZILIANS WERE VERY SKEPTICAL AS WAS ONE OTHER LATIN
AMERICAN DELEGATE DISPUTE STRONG APPROVAL OF HIS GOVERNMENT OF
THE SCHEME. SWEDEN, AS EXPECTED, EXPRESSED SUPPORT FOR THE
MEXICAN STOCK APPROACH. FRANCE SAID IT FAVORED EVENTUAL USE OF
STOCKS AS A STABILIZING MECHANISM,BUT WHILE GOING ALONG WITH THE
DECISION, THOUGHT THE TIMING WRONG FOR A STUDY. THE FRG WAS ALSO
WILLING TO GO ALONG WITH A STUDY BUT MADE ITS SKEPTICISM ABOUT A
BUFFER STOCK APPROACH CLEAR.

3. THE NEXT MEETING OF THE BOARD WILL BE HELD AT THE TIME OF
THE COUNCIL, DURING THE WEEK OF SEPTEMBER 26-30. THE INVITATION
OF BRAZIL TO HOLD A BOARD MEETING IN RIO DE JANEIRO, DECEMBER 12-
16, IN COMMEMORATION OF THE 250TH ANNIVERSARY OF THE INTRODUCTION
OF COFFEE TO BRAZIL, WAS ACCEPTED WITH BOTH THE US AND OAMCAF,
WHILE GOING ALONG WITH THE OTHERS, NOTING THAT AS A MATTER OF
POLICY, LONDON WAS PREFERRED VANUE FOR ALL ICO MEETINGS.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 NAIROB 11435 060644Z

LE MELLE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NAIROB11435
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770321-0822
Format: TEL
From: NAIROBI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770995/aaaadcw.tcl
Line Count: 176
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2317784d-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 NAIROBI 11407
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1378282
Secure: OPEN
Status: NATIVE
Subject: COFFEE-MEETING OF THE ICO EXECUTIVE BOARD IN NAIROBI
TAGS: EPAP, ETRD, ICO
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/2317784d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009